

RESOLUTION GRANTING THIRD ROUND SUBSTANTIVE CERTIFICATION #10-09

Pennsville Township, Salem County

WHEREAS, Pennsville Township, Salem County, petitioned the Council on Affordable Housing (COAH) for substantive certification of a Housing Element and Fair Share Plan addressing its total 1987-2018 affordable housing obligation on December 31, 2008; and

WHEREAS, Pennsville Township published notice of its petition in *Today's Sunbeam* on February 10, 2009, which is a newspaper of general circulation within the county, pursuant to N.J.S.A. 52:27D-313 and N.J.A.C. 5:96-3.5; and

WHEREAS, no objections to the plan were received by COAH during the 45-day objection period, which ended April 13, 2009; and

WHEREAS, Pennsville Township's fair share plan addresses a total 1987-2018 affordable housing obligation of 257 units, consisting of a 19-unit rehabilitation share, a 228-unit prior round obligation and a 10-unit projected growth share obligation pursuant to N.J.A.C. 5:97; and

WHEREAS, the 10-unit projected growth share obligation is less than the initial projected growth share obligation of 72 affordable units as a result of Pennsville Township subtracting the allowable exclusions pursuant to N.J.A.C. 5:97- 2.4(a)ii; and

WHEREAS, COAH staff has reviewed the Township's Housing Element and Fair Share Plan, which is incorporated by reference herein; and

WHEREAS, the Township is located in Planning Areas (PA) 1, 3 & 5 and is served by a public water supply and wastewater conveyance and treatment system; and

WHEREAS, Pennsville Township proposes to address its 19-unit rehabilitation share with 19 surplus new construction credits from the Kent Avenue Complex; and

WHEREAS, the Township proposes to address its 228-unit prior round obligation with 99 prior cycle credits for the Pennsville Towers; 37 credits and five rental bonuses for the Kent Avenue Complex; 52 units from a proposed inclusionary zoning project known as Supawna Road Site #2; 12 units from a proposed inclusionary zoning project known as Supawna Road Site #3; 17 units from a proposed inclusionary zoning project known as Supawna Road Site #4 and six units from a proposed inclusionary zoning project known as Orchard Avenue Site #5; and

WHEREAS, Pennsville proposes to address its 10-unit projected growth share obligation with 43 units from a proposed inclusionary zoning project known as South Broadway/Hook Road Site #1; three units from a proposed inclusionary zoning project known as Supawna Road Site #2; and two units from a family rental facility at a site to be identified by the Township; and

WHEREAS, pursuant to N.J.A.C. 5:97-3.2(a)4, Pennsville has provided an implementation schedule that demonstrates a realistic opportunity and sets forth a timetable for the submittal of all information and documentation required by N.J.A.C. 5:97-6.7; and

WHEREAS, COAH has confirmed with the Housing and Mortgage Finance Agency that 14 of the 100 units in the Kent Avenue Complex are, and will remain, special needs rental units that are not age-restricted, are very low income eligible and were funded in part by the Special Needs Housing Trust Fund; and

WHEREAS, the Township has provided the documentation, for the inclusionary zoning developments, required pursuant to N.J.A.C. 5:97-6.4; and

WHEREAS, Pennsville will provide documentation for the two-unit family rental program pursuant to N.J.A.C. 5:97-6.7(b)1-3, demonstrating site control, site suitability and a schedule for construction to begin in accordance with the municipality's implementation schedule; and

WHEREAS, pursuant to N.J.A.C. 5:96-6.2(a)2, on April 15, 2009 COAH issued a Compliance Report (attached as Exhibit A and incorporated by reference herein) recommending approval of Pennsville Township's petition for third round substantive certification; and

WHEREAS, the 14-day period to submit comments to the COAH Compliance Report pursuant to N.J.A.C. 5:96-6.2(b) ended on May 4, 2009 and COAH did not receive comments.

NOW THEREFORE BE IT RESOLVED that the Housing Element and Fair Share Plan submitted by Pennsville Township comports to the standards set forth at N.J.S.A. 52:27D-314 and meets the criteria for third round substantive certification pursuant to N.J.A.C. 5:96-6.3; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-6.2(a), after having reviewed and considered all of the above, COAH hereby grants third round substantive certification to Pennsville Township; and

BE IT FURTHER RESOLVED that after receiving final substantive certification, pursuant to N.J.A.C. 5:96-6.3(e), Pennsville Township shall adopt all implementing Fair Share Ordinances within 45 days of this grant of substantive certification; and

BE IT FURTHER RESOLVED if Pennsville Township fails to timely adopt its Fair Share Ordinances, COAH's grant of substantive certification shall be void and of no force and effect; and

BE IT FURTHER RESOLVED that Pennsville shall submit all Fair Share Ordinances to COAH upon adoption; and

BE IT FURTHER RESOLVED that Pennsville shall comply with COAH monitoring requirements as set forth in N.J.A.C. 5:96-11, including reporting the Township's actual growth pursuant to N.J.A.C. 5:97-2.5; and

BE IT FURTHER RESOLVED that Pennsville shall present to the Council any required updating of its affordable housing plan at its biennial review to satisfy its actual growth share since the Township's actual growth through September 2008 has exceeded its projected growth share obligation; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-10.1, COAH shall conduct biennial plan evaluations upon substantive certification of Pennsville's Housing Element and Fair Share Plan to verify that the construction or provision of affordable housing has been in proportion to the actual residential growth and employment growth in the municipality and to determine that the mechanisms addressing the projected growth share obligation continue to present a realistic opportunity for the creation of affordable housing; and

BE IT FURTHER RESOLVED that if upon any biennial review the difference between the number of affordable units constructed or provided in Pennsville and the number of units required pursuant to N.J.A.C. 5:97-2.5 results in a pro-rated production shortage of 10 percent or greater, the Township is not adhering to its implementation schedule pursuant to N.J.A.C. 5:97-3.2(a)4, or the mechanisms addressing the projected growth share obligation no longer present a realistic opportunity for the creation of affordable housing, the Council may direct the municipality to amend its plan to address the shortfall; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:97-2.5(e), if the actual growth share obligation determined is less than the projected growth share obligation, Pennsville shall continue to provide a realistic opportunity for affordable housing to address the projected growth share; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-6.3(b), Pennsville's substantive certification shall remain in effect until December 31, 2018; and

BE IT FURTHER RESOLVED that any changes to the facts upon which this substantive certification is based or any deviations from the terms and conditions of this substantive certification which affect the ability of Pennsville Township to provide for the realistic opportunity of its fair share of low and moderate income housing and which the Township fails to remedy, may render this certification null and void.

I hereby certify that this resolution was
duly adopted by the Council on Affordable
Housing at its public meeting on May 14, 2009

A handwritten signature in cursive script, reading "Reneé Reiss". The signature is written in black ink and is positioned above the printed name.

Reneé Reiss, Secretary



***Council on Affordable Housing
Compliance Report
April 15, 2009***



Municipality: *Township of Pennsville*
County: *Salem*

COAH Region: *6*
Planning Area: *1, 3 & 5*
Special Resource Area: *N/A*

Housing Element and Fair Share Plan Adopted: *December 30, 2008*
Petition for 3rd Round Substantive Certification: *December 31, 2008*
Completeness Determination: *February 5, 2009*
Date of Publication: *February 10, 2009*

Objections Received: *No*

Petition Includes:

VLA: *No*
GPA: *No*
Waiver: *No* **Section:** *N/A*

Date of Site Visit: *N/A*

History of Approvals:

	COAH	JOC	N/A
First/Second Round:			<i>x</i>
Extended Certification:			<i>x</i>
Third Round	<i>6/14/2006¹</i>		

Plan Preparer: *Kathleen Grady, Planner, Clarke, Caton & Hintz*

Municipal Housing Liaison: *Deneen Parkinson, Acting Clerk*

Recommendation: *Grant Substantive Certification*

¹ On January 25, 2007, the Appellate Court reversed and remanded the Township's certification granted by COAH on procedural grounds.

SUMMARY OF FAIR SHARE OBLIGATION

Rehabilitation Share	19
Prior Round Obligation	228
Projected Growth Share Obligation (Net)	10

ACTUAL GROWTH and GROWTH SHARE through (9/2008)²

Res Units (#)	Actual Res Growth Share	Jobs (#)	Actual Non-Res Growth Share	Actual TOTAL Growth Share
242	48 units	97	6 units	54 units

COMPLIANCE PLAN SUMMARY

Obligation	Credit/ Mechanism Type	# Units Completed	# Units Proposed	TOTAL
Rehabilitation: 19 units				
Program(s)	Surplus Credits – Kent Avenue		19	19
Rehabilitation Subtotal				19
NEW CONSTRUCTION:				
Prior Round: 228 units				
Credits	Prior Cycle	99		99
	Post-1986 Credit	37		37
Proposed Mechanism(s)	Inclusionary Zoning		87	87
Prior Round Bonus(es)	Rental	5		5
Prior Round Subtotal				228
Growth Share: 10 units				
Credits	Post-1986 Credit	2		2
Proposed Mechanism(s)	Inclusionary Zoning		46	46
	100% Affordable		2	2
Growth Share Subtotal				50
Surplus				40

² This growth share number does not take into account allowable exclusions permitted under N.J.A.C. 5:97-2.5; therefore, the actual growth share may vary.

HOUSING ELEMENT

Pursuant to N.J.S.A. 40:55D-28(b), the Housing Element and Fair Share Plan is a required section of the Municipal Master Plan. The Housing Element must be designed to achieve the goal of access to affordable housing to meet existing and future housing needs, with special attention given to low- and moderate-income households. The housing needs analysis must include demographic information on existing and projected housing stock and employment characteristics, a quantification of low- and moderate-income housing need, and a consideration of the lands within the municipality that are most appropriate to accommodate such housing. Pennsville's Housing Element includes sufficient information regarding housing stock, demographic and employment characteristics and population trends pursuant to N.J.S.A. 52:27D-310.

Under N.J.A.C. 5:97-2.1(b), the Housing Element must also set forth the municipality's affordable housing fair share obligation, which is the sum of the rehabilitation share, the prior round obligation, and the growth share.

A. Rehabilitation Share

The rehabilitation share is the number of existing housing units within a municipality as of April 1, 2000, that are both deficient and occupied by households of low or moderate income. As indicated in Appendix B of N.J.A.C. 5:97, Pennsville has a rehabilitation share of 19 affordable housing units.

B. Prior Round Obligation

The prior round obligation is the cumulative 1987-1999 new construction obligation provided in Appendix C of N.J.A.C. 5:97. Pennsville has a prior round obligation of 228 affordable housing units.

C. Projected Growth Share

The projected growth share is initially calculated based on household (residential) and employment (non-residential) 2004-2018 projections. Pursuant to Appendix F of N.J.A.C. 5:97, Pennsville has a residential projection of 309 units being developed and a

non-residential projection of 159 jobs being created, which results in an initial projected growth share obligation of 72 affordable units. However, after subtracting the allowable exclusions itemized in Worksheet A (attached as Appendix A), Pennsville's residential projection is reduced to minus 37 units. Therefore, Pennsville's total projected growth share for the period 1999-2018 is 10 affordable units consisting of a zero-unit projected residential growth share and a 10-unit projected non-residential growth share.³

SUMMARY OF FAIR SHARE OBLIGATION

Rehabilitation Share	19
Prior Round Obligation	228
Projected Growth Share Obligation (Net)	10

I. FAIR SHARE PLAN

A Fair Share Plan, as required under N.J.A.C. 5:97-3.1, describes the completed or proposed mechanisms and funding sources, if applicable, that will be utilized to specifically address a municipality's rehabilitation share, prior round obligation, and growth share obligation and includes the draft ordinances necessary to implement that plan. Affordable housing must be provided in direct proportion to the growth share obligation generated by the actual growth.

Pennsville's Fair Share Plan, and the supporting documentation incorporated by reference therein, addresses the requirements of N.J.A.C. 5:97-3.1 as follows:

A. Plan to Address Rehabilitation Share

Rehabilitation Share Credits

Pennsville will utilize 19 new construction credits from the Kent Avenue Project to address its 19-unit rehabilitation obligation. The use of new construction credits to address all or part of the rehabilitation share is permitted pursuant to N.J.A.C. 5:97- 6.2b.

³ Pursuant to N.J.A.C. 5:97-2.2(d), Pennsville's residential projection of 309 is divided by 5 to yield 62 units and the nonresidential projection of 159 jobs is divided by 16 to yield 10 units. Pennsville's total projected growth share is therefore 72 units (62 + 10) before allowable adjustments.

Kent Avenue

The Kent Avenue Senior Housing complex is a 101-unit affordable housing rental community on Kent Avenue (Block 501, Lot 19), which received certificates of occupancy on January 30, 2008. The complex is on a 3.6 acre site, which is within Planning Area (PA) 1. According to the Fair Share Plan, the facility includes 100 affordable senior units and one unit for an onsite manager. COAH has confirmed with Housing and Mortgage Finance Agency (HMFA) that 14 of these units are special needs rental units that are not age-restricted and are very low income eligible. All units have 30-year affordability controls, were affirmatively marketed and are administered in accordance with COAH rules at N.J.A.C. 5:97 et seq. and the UHAC at N.J.A.C. 5:80-26. The housing was funded through the Federal Low Income Housing Tax Credit program, HMFA Home Express funds and the Special Needs Housing Trust Fund. Units from this project will be used to satisfy the 19-unit rehabilitation share (see above) as well as the prior round (37 credits) and growth share obligations (two credits).

Rehabilitation Credits

Rehabilitation Program	# Credits
<i>Surplus New Construction Credits from the Kent Avenue complex</i>	19
TOTAL	19

B. Plan to Address Prior Round Obligation

Prior Round Obligation Credits

Pennsville is addressing a portion of its prior round obligation with 99 prior cycle credits, 37 post-1986 credits and five rental bonuses. In accordance with N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11.

Prior Cycle Credits

Project/Development Name	Year Built	Type of Affordable Unit	# Units/Bedrooms
Pennsville Towers	1984	Senior Rentals	99
TOTALS			99

Post-1986 Credits

Project/Development Name	Year Built	Type of Affordable Unit	# Units/Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Kent Avenue	2008	Senior Rentals	37	Rental	5	42
TOTALS			37		5	42

Proposed Affordable Housing Mechanisms

Pennsville proposes to address the remaining 87-unit prior round obligation through four inclusionary zoning projects.

Supawna Road (Site #2)

Supawna Road Block 4401/Lot 17 is a 78.43-acre lot with approximately 63 buildable acres. This project was included in the Township's initial Third Round Plan. Access to this site is along Supawna Road. The site is flat farm land with wetlands to the north and additional wetlands along the eastern edge. Most of the site is located in PA 1 and adjacent land uses are farms and medium density residential. The eastern and northern portion of the lot is located in PA 5. Pennsville has demonstrated that adequate sewer and water service is available to the site. COAH staff has determined, through GIS analysis, that this site meets the site suitability criteria pursuant to N.J.A.C. 3.13.

Pennsville rezoned this site on May 18, 2006, which was zoned for single-family detached residences on 40,000 square foot lots, to permit residential development at four units per acre with a 20 percent set-aside for affordable housing. Although this site does not meet the presumptive densities and set-asides within PA 1 pursuant to N.J.A.C. 5:97-6.4(b), the Township asserts that the zoning does provide a realistic opportunity for

affordable housing and provides financial incentive for potential developers. The inclusionary zoning represents a 400% density increase. In addition, the Township has eliminated unnecessary cost generating standards and provides for expedited reviews for inclusionary developments. The inclusionary zoning for this site would yield 55 affordable units out of 274 total units and the Township will utilize 52 of the 55 affordable units to address the prior round obligation. **[52 zoned units]**

Supawna Road (Site #3)

Supawna Road Block 4504/Lot 7 is 13.71 acres, all of which are buildable and are located in PA 1. This project was included in the Township's initial Third Round Plan. The site is classified as farmland by NJDEP's 2002 GIS land use/landcover layer and is surrounded by residential properties. COAH staff has determined, through GIS analysis, that this site meets the site suitability criteria pursuant to N.J.A.C. 3.13.

This site has access to Supawna Road by way of two 40-foot easements between existing single-family homes. In a letter dated March 23, 2009, the owners of this site (which also own Supawna Road Site #4) notified COAH that they have not been able to receive the necessary approvals from the NJDEP to connect to Pennsville's sewer system. However, the Township asserts that both public water and public sewer are available to this site with sufficient capacity. Pennsville believes this situation will be rectified with the NJDEP once the wastewater management plan is approved under the new regulations.

Pennsville re-zoned this site on May 18, 2006, which was zoned for single-family detached residences on 40,000 square foot lots, to permit residential development at four units per acre with a 20 percent set-aside for affordable housing. Although this site does not meet the presumptive densities and set-asides within PA 1 pursuant to N.J.A.C. 5:97-6.4(b), the Township maintains that the zoning does provide a realistic opportunity for affordable housing and provides financial incentive for potential developers. The inclusionary zoning represents a 400% density increase. In addition, the Township has eliminated unnecessary cost generating standards and provides for expedited reviews for inclusionary developments. The inclusionary zoning for this site would yield 12 affordable units out of 61 total units. All 12 affordable units on this site will address Pennsville's prior round obligation. **[12 zoned units]**

Supawna Road (Site #4)

Pennsville's plan also includes inclusionary zoning on Supawna Road Block 4504/Lot 21. This project was included in the Township's initial Third Round Plan. The property is 19.28 acres and is adjacent to Supawna Road Site #3. COAH staff has verified through a GIS analysis and a site inspection that the entire site is located in PA 1 and appears to be buildable. This site has access to Chestnut Lane and Old Toll Road by way of two 40-foot easements between existing single-family homes. Pennsville has demonstrated that both public water and public sewer are available to this site and that sufficient capacity is also available (see above). COAH staff has determined, through GIS analysis, that this site meets the site suitability criteria pursuant to N.J.A.C. 3.13.

Pennsville re-zoned this site on May 18, 2006, which was zoned for single-family detached residences on 40,000 square foot lots, to permit residential development at four units per acre with a 20 percent set-aside for affordable housing. Although this site does not meet the presumptive densities and set-asides within PA 1 pursuant to N.J.A.C. 5:97-6.4(b), the Township asserts that the zoning does provide a realistic opportunity for affordable housing and provides financial incentive for potential developers. The inclusionary zoning represents a 400% density increase. In addition, the Township has eliminated unnecessary cost generating standards and provides for expedited reviews for inclusionary developments. The inclusionary zoning proposed for this site would yield 17 affordable units out of 83 total units. **[17 zoned units]**

Orchard Avenue (Site #5)

The Orchard Avenue inclusionary zone site Block 501/Lot 6 consists of 7.25 acres. Pennsville included this project in its initial Third Round Plan. The entire site is in a residential area, located in PA 1 and appears to be buildable, as verified through a GIS analysis and a site inspection. There are no wetlands on the site but wooded wetlands exist on the northern and eastern edges of the lot. Access is by way of Orchard Avenue. Pennsville has demonstrated that both public water and public sewer with sufficient capacity are available to this site. COAH staff has determined, through GIS analysis, that this site meets the site suitability criteria pursuant to N.J.A.C. 3.13.

Pennsville re-zoned this site on May 18, 2006, decreasing minimum lot size from 15,000 square foot lots, to 10,000 square foot lots with a 20 percent set-aside for affordable housing. Although this site does not meet the presumptive densities and set-asides within PA 1 pursuant to N.J.A.C. 5:97-6.4(b), the Township asserts that the zoning does provide a realistic opportunity for affordable housing and provides financial incentive for potential developers. The inclusionary zoning represents a 27% density increase. In addition, the Township has eliminated unnecessary cost generating standards and provides for expedited reviews for inclusionary developments. The site yields six affordable units out of 30 total units. **[6 zoned units]**

Proposed Prior Round Affordable Housing Mechanisms

Type/Name of Affordable Housing Mechanism	Type of Affordable Unit	# Units/Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Supawna Road Site #2	Inclusionary	52		0	52
Supawna Road Site #3	Inclusionary	12		0	12
Supawna Road Site #4	Inclusionary	17		0	17
Orchard Ave. Site #5	Inclusionary	6		0	6
TOTALS		87		0	87

Prior Round Obligation Parameters

Pennsville has satisfied the applicable Prior Round parameters as follows:

Prior Round Rental Obligation:⁴ 33 Units

Development/Project Name	Type of Affordable Unit	# Units
Kent Avenue	Post-1986 Credit	33
TOTAL		33

Prior Round Age-Restricted Maximum⁵ : 37 Units

Development/Project Name	Type of Affordable Unit	# Units
Kent Avenue	Post-1986 Credit	37
TOTAL		37

Prior Round Rental Bonus Maximum⁶ : 33 Units

Development/Project Name	Type of Bonus	# Bonuses
Kent Avenue	Post-1986 Credit	5
TOTAL		5

C. Plan to Address Projected Growth Share

Growth Share Obligation Credits

Pennsville is addressing the projected growth share obligation with two units of credit. In accordance with N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11.

Post-1986 Credits

Project/Development Name	Year Built or Approved	Type of Affordable Unit	# Units/Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Kent Avenue	2008	Senior Rentals	2		0	2
TOTALS			2		0	2

⁴ Rental Obligation: (.25 (prior round obligation – prior cycle credits) or .25 (228 – 99) = 33 units)

⁵ Age-Restricted Maximum: .25 (prior round obligation + rehabilitation share – prior cycle credits – rehabilitation credits – transferred RCAs) or .25 (228 + 19 – 99 – 0 – 0) = 37 units)

⁶ No rental bonuses shall be granted for rental units in excess of the prior round rental obligation, therefore, PR Rental Bonus Maximum = PR Rental Obligation N.J.A.C. 5:97-3.5

Proposed Affordable Housing Mechanisms

Pennsville proposes to address the remaining eight-unit growth share obligation through the following mechanisms:

South Broadway and Hook Road (Site #1)

Pennsville will utilize the 69.77-acre South Broadway and Hook Road site Block 4401/Lot 16 to address its remaining projected growth share obligation. This project was included in the Township's initial Third Round Plan, which estimated approximately 49 acres of the site are developable. Based on a GIS analysis conducted by COAH staff, an unnamed tributary of the Salem River traverses the property, which has already been deducted from the site's developable area.

The site is flat farm land with wooded wetlands in the north and east. Most of the site is located in PA 1 with the exception of the northeast corner that is located in PA 5. Adjacent land uses are farms and medium density residential and there is commercial development on the opposite side of South Broadway. This site has access to Hook Road by way of a 40-foot wide access road designated as Stone Barn Road and access to South Broadway (Route 49) by way of an 80-foot easement. The site may obtain additional street access through Supawna Road Site #2. Pennsville has confirmed that street access to this site can be obtained and that public sewer and water services are available.

The site was re-zoned on May 18, 2006 to permit residential development at four units per acre with a 20 percent set-aside for affordable housing. The rear portion of this site originally permitted single-family detached housing on 40,000 square foot lots while the front portion was zoned for commercial development. Although this site does not meet the presumptive densities and set-asides within PA 1 pursuant to N.J.A.C. 5:97-6.4(b), the Township asserts that the zoning does provide a realistic opportunity for affordable housing and provides financial incentive for potential developers. The inclusionary zoning represents a 400% density increase. In addition, the Township has eliminated unnecessary cost generating standards and provides for expedited reviews for inclusionary developments. The inclusionary zoning proposed on this site would yield 43 affordable units out of 213 total units. **[43 zoned units]**

Supawna Road Site #2

Pennsville will rely on the Supawna Road Site #2 (described above) to address a portion of its remaining projected growth share obligation. As noted above, Pennsville rezoned this site for inclusionary zoning with a density of four units per acre, which would yield 55 affordable units. The Township addressed its prior round obligation with 52 of those units and plans to address its growth share obligation with the remaining three units. **[3 zoned units]**

Future Family Rental Site

According to its Fair Share Plan, Pennsville is investigating infill sites in the Township for a future site for 100% affordable family rentals of a minimum of two units. The project is on the Township's implementation schedule to be constructed in 2014 and as such supporting documentation is required to be submitted to COAH two years before construction begins. Pennsville has dedicated its affordable housing trust fund monies for the construction of the two family rental units. Pennsville drafted a Resolution of Intent to Bond in the event the project costs exceed the funds raised from development fees. The Resolution of Intent to Bond must be adopted within 45 days of substantive certification. **[2 family rental units]**

Proposed Growth Share Affordable Housing Mechanisms

Type/Name of Affordable Housing Mechanism	Type of Affordable Unit	# Units/Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
South Broadway/Hook Road Site #1	Inclusionary	43		0	43
Supawna Road Site #2	Inclusionary	3		0	3
Future Family Rental Site	100% Affordable	2		0	2
TOTALS		48		0	48

Growth Share Parameters

Pennsville has satisfied the applicable Growth Share parameters as follows:

Growth Share Rental Obligation:⁷ 3 Units

Development/Project Name	Type of Affordable Unit	# Units
Kent Avenue	Affordable Senior Rentals	2
Future Family Rental Site	100% Affordable	2
TOTAL		4

Growth Share Family Rental Requirement⁸ : 2 Units

Development/Project Name	Type of Affordable Unit	# Units
Future Family Rental Site	100% Affordable	2
TOTAL		2

Growth Share Minimum Family Requirement⁹ : 5 Units

Development/Project Name	Type of Affordable Unit	# Units
Supawna Road Site #2	Inclusionary	3
Future Family Rental Site	100% Affordable	2
South Broadway/ Hook Road Site #1	Inclusionary	43
TOTAL		48

Very Low Income Minimum Requirement¹⁰ : 2 Units

Development/Project Name	Type of Affordable Unit	# Units
Future Family Rental Site	100% Affordable	1
Kent Avenue	Affordable Senior Rentals	1
TOTAL		2

⁷ Projected Growth Share Rental Obligation: .25(Projected Growth Share) or .25(10) = 3 units N.J.A.C. 5:97-3.10(b)3

⁸ Projected Growth Share Family Rental Requirement: .5(Projected Growth Share Rental Requirement) or .5(3) = 2 units N.J.A.C. 5:97-3.4(b)

⁹ Projected Growth Share Family Requirement: .5(Units Addressing the Growth Share Obligation) or .5(10) = 5 units N.J.A.C. 5:97-3.9

¹⁰ Growth Share Very Low Income Requirement: .13(Projected Growth Share) or .13(10) = 2 units pursuant to P.L.2008, c.46

Age-Restricted Maximum¹¹ : 2 Units

Development/Project Name	Type of Affordable Unit	# Units
Kent Avenue	Affordable Senior Rentals	2
TOTAL		2

Actual Growth Share Obligation

The actual growth share obligation will be based on permanent certificates of occupancy issued within the municipality for market-rate residential units and newly constructed or expanded non-residential developments in accordance with Appendix D of N.J.A.C. 5:97. At plan evaluation review pursuant to N.J.A.C. 5:96-10, COAH will compare the actual growth share obligation with the actual number of affordable units constructed.

The New Jersey Department of Community Affairs (NJ DCA) *Construction Reporter* indicates that between January 1, 2004 and September 2008, Pennsville has issued certificates of occupancy for 242 housing units and also for the nonresidential square footage equivalent of 97 jobs, yielding an actual growth share obligation through September 30, 2008, of 54 affordable units.¹²

D. Summary of Plan to Address Fair Share Obligation

REHABILITATION SHARE SUMMARY
Rehabilitation Share: 19 Units

Program Name	# Units
Surplus Construction Credits – Kent Avenue	19
TOTAL	19

¹¹ Projected Growth Share Age Restricted Maximum: .25(Projected Growth Share) or .25(10)= 2 units
N.J.A.C. 5:97-3.10(c)2

¹² The number of residential COs (242) is initially divided by 5 to yield 48 units and the number of jobs (97) is initially divided by 16 to yield 6 units. Pennsville's total actual growth share is therefore 54 units (res 48 + non-res 6). **Note:** This number does not take into account allowable exclusions permitted under N.J.A.C. 5:97-2.5; therefore, the actual growth share may vary.

PRIOR ROUND SUMMARY
Prior Round Obligation: 228 Units

	Name of Mechanism	# Units/ Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Prior Cycle Credits	Pennsville Towers	99			99
Post-1986 Credits	Kent Avenue	37	Rental	5	42
Subtotal		136		5	141
Proposed Mechanisms	Supawna Road Site #2	52			52
	Supawna Road Site #3	12			12
	Supawna Road Site #4	17			17
	Orchard Ave. Site #5	6			6
Subtotal		87			87
TOTAL					228
Surplus/Shortfall					0

GROWTH SHARE SUMMARY
Projected Growth Share Obligation: 10 Units

	Name of Mechanism	# Units/ Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Post-1986 Credits	Kent Avenue	2		0	2
Subtotal		2		0	2
Proposed Mechanisms	South Broadway/Hook Road Site #1	43		0	43
	Supawna Road Site #2	3		0	3
	Future Family Rental Site	2		0	2
Subtotal		48		0	48
TOTAL					50
Surplus					40

II. FAIR SHARE DOCUMENT REVIEW

A. Development Fee Ordinance

Pennsville adopted a development fee ordinance on June 2, 2005, which was submitted with its initial third round housing element and fair share plan. The ordinance was reviewed and minor changes were required prior to COAH's approval. COAH approved Pennsville's development fee ordinance on February 27, 2006. Pennsville submitted a draft amended development fee ordinance for COAH's review and approval with its third round petition. The amended development fee ordinance was reviewed by COAH in a separate report and was approved on March 26, 2009.

B. Third Round Spending Plan

Pennsville's prior round spending plan was approved by COAH on June 13, 2006. A revised third round spending plan was submitted by Pennsville with its third round petition for COAH's review and approval. The spending plan was reviewed by COAH in a separate report and was approved on April 13, 2009.

C. Affordable Housing Ordinance/Affordable Housing Administration

Pennsville has an adopted affordable housing ordinance for its prior round obligation. The Township has submitted a revised draft affordable housing ordinance that comports with the requirements of the Uniform Housing Affordability Controls (UHAC), N.J.A.C. 5:80-26.1 et seq., which was amended on December 20, 2004. The draft proposed ordinance has also been amended to include the compliance with barrier free subcode of the State Uniform Construction Code Act (N.J.S.A. 52:27D-119 et seq.) and the accessibility requirements of N.J.S.A. 52:27D-123.15. The draft ordinance must be adopted within 45 days of COAH's grant of substantive certification and submitted to COAH immediately upon adoption.

An ordinance establishing the position of a municipal housing liaison and a resolution appointing a municipal housing liaison were adopted by the Township on August 2, 2007.

Pennsville is responsible for the continued re-sale and re-rental of existing affordable units and the initial sale and rental of newly constructed affordable units within the Township and must identify an experienced administrative entity for that purpose by the contract, agreement or letter. Pennsville has submitted a contract with Ron Rukenstein as its administrative entity for the Kent Avenue affordable units. Prior to marketing the completed units its plan (other than Kent Avenue), Pennsville must designate an experienced administrative agent pursuant to N.J.A.C. 5:97-6.4(k). Pursuant to N.J.A.C. 5:80-26.14(b), Pennsville has submitted a written operating manual for administering affordable units within the Township.

D. Affirmative Marketing Plan

Pennsville has submitted an affirmative marketing plan that comports with the requirements of the UHAC and ensures the units in the Township's 1987-2018 Fair Share Plan and all future affordable housing units will be affirmatively marketed to the region upon initial sale/rental and re-sale/re-rental. Once approved by COAH, the affirmative marketing plan must be adopted by resolution by the Township within 45 days of COAH's grant of substantive certification and submitted to COAH.

III. MONITORING

Pennsville must comply with COAH monitoring requirements as set forth in N.J.A.C. 5:96-11, including reporting Pennsville's actual growth pursuant to N.J.A.C. 5:97-2.5. Pursuant to N.J.A.C. 5:96-10.1, COAH will conduct biennial plan evaluations upon substantive certification of Pennsville's Housing Element and Fair Share Plan. The purpose of the plan evaluation is to verify that the construction or provision of affordable housing has been in proportion to the actual residential growth and employment growth in the municipality and to determine that the mechanisms addressing the projected growth share obligation continue to present a realistic opportunity for the creation of affordable housing. If upon any biennial review the difference between the number of affordable units constructed or provided in Pennsville and the number of units required pursuant to N.J.A.C. 5:97-2.5 results in a pro-rated production shortage of 10 percent or greater or the

mechanisms addressing the projected growth share obligation no longer present a realistic opportunity for the creation of affordable housing, the Council may direct the municipality to amend its plan to address the shortfall.

COAH staff notes that Pennsville's actual growth share obligation to-date of 54 units exceeds the Township's projected growth share obligation of 10 units. This measure of actual growth does not include any reductions that may be available to Pennsville through exclusions pursuant to N.J.A.C. 5:97-2.4(a)1. Pennsville's Fair Share Plan provides for 50 affordable units to meet its projected need of 10 units. Pursuant to N.J.A.C. 5:97-2.5, Pennsville is required to provide affordable housing in direct proportion to the growth share obligation generated by the actual growth, which shall be monitored at its biennial review. At that time, Pennsville shall demonstrate that it has provided sufficient affordable units to keep pace with its actual growth.

IV. RECOMMENDATION

COAH staff recommends that Pennsville be granted third round substantive certification. Pennsville must adopt all necessary implementing ordinances within 45 days of the grant of substantive certification and submit certified copies of the adopted ordinances to COAH within seven days of the adoption.